

CHAPTER I : INTRODUCTION

1.1 BACKGROUND OF THE RESEARCH

The high production of noodles in Malaysia is in line with the increasing population which makes noodles a daily staple. With Malaysia population reaching more than 33 million people, the potential for this industry is very large and promising, especially since the current consumption trend of t Malaysia people has begun to shift to instant food types. In Malaysia, instant noodles are a product that consumers are quite interested in because they can be consumed by almost all age levels. According on Malaysian statistical data In 2021, the demand for instant noodles in Malaysia will reach around 1.58 billion portions, a slight increase compared to the previous year which reached 1.57 billion portions. Instant noodles are a popular snack in Malaysia, and the brands offer a variety of flavours to suit local tastes.

The bright and dynamic development of Malaysia's economy has forced companies to try to satisfy consumer needs through various strategies and methods with the hope that consumers will be satisfied and will make repeat purchases. If a consumer has turned into a loyal customer because his satisfaction is fulfilled, then the consumer will not switch to other similar company products or services. Given the increasingly intense competition because more and more companies are involved in fulfilling consumer needs and desires, causing companies place an orientation on consumer satisfaction.

The marketing mix is one of the marketing strategies to convey information widely, introduce a product or service, stimulate consumers to give and even create personal preferences for the image of a product. Therefore, the marketing mix is considered one of the most potential strategic elements in marketing products. The marketing mix strategy, namely: product, price, promotion and place plays a very important role, especially in conditions of increasingly sharp competition and developments in the demand for goods. In today's very sharp competition, especially in the buyer's market, the role of pricing and sales promotion is very important, especially to build customer commitment and loyalty.

Therefore, researchers are interested in conducting research with the title, " The effect of marketing mix on Maggi noodle customer loyalty" in Management and Science University Students.

1.2 PROBLEM STATEMENT

In a constantly evolving and rapidly changing environment, companies cannot sustain an attitude of attracting customers or expanding into new markets. A key success factor for survival in the market depends on maintaining long-term relationships with stakeholders, suppliers and buyers. The challenge that all marketers are facing today is finding ways to increase customer loyalty and retention. Transforming indifferent customers into more loyal and building long-term relationships with customers is critical to organizational success.

This study focuses on how current public relations and marketing strategies incorporate various aspects of the social marketing mix to positively influence consumer loyalty to a brand or product. Consumers are in the center. The goal is to create value for customers and build profitable customer relationships. Next comes marketing strategy the marketing logic by which the company hopes to create this customer value and achieve these profitable relationships. The company decides which customers it will serve (segmentation and targeting) and how (differentiation and positioning). It identifies the total market and then divides it into smaller segments, selects the most promising segments, and focuses on serving and satisfying the customers in these segments.

Guided by marketing strategy, the company designs an integrated marketing mix made up of factors under its control- product, price, place, and promotion (the four Ps). To find the best marketing strategy and mix, the company engages in marketing analysis. planning, implementation, and control. Through these activities, the company watches and adapts to the actors and forces in the marketing environment. We will now look briefly at each activity. In later chapters, we will discuss each one in more depth (Armstrong et al.,2017).

Consumer loyalty has always been a topic that cannot be exhausted to be explored. Consumer loyalty has been associated with various other variables. Judging from

the influencing factors, the variety of variables, including the marketing mix is the basic strategy of the company. Every company really expects to have customers who are loyal to the products or services offered. For this reason, it is interesting for me to work on the problem of the influence of the marketing mix on consumer loyalty.

1.3 RESEARCH OBJECTIVES

The purpose of this research are :

1. To determine the significant effect of the product on customer loyalty.
2. To determine the significant effect of price on customer loyalty.
3. To determine the significant effect of place on customer loyalty.
4. To determine the significant effect of promotion on customer loyalty.

1.4 RESEARCH QUESTIONS

The study attempts to answer the following questions:

1. Does the product have a significant effect on customer loyalty ?
2. Does price have a significant effect on customer loyalty ?
3. Does the place have a significant effect on customer loyalty ?
4. Does the promotion have a significant effect on customer loyalty ?

1.5 DEFINITION OF KEY TERM

In order to clarify the key used in research, some definitions are put forward :

1.6.1 Product

According to Kotler and Armstrong (2012) products are goods or services that can be traded in the market to be utilized so that they can meet the needs and desires of sellers and buyers.

1.6.2 Price

According to Kotler and Armstrong (2010) the price is a number of exchange rates in the form of money attached to goods or services for benefits because they have funds or use them.

1.6.3 Place

Place is the location where the exchange takes place. Until recently, at least in consumer markets, this has been almost always a retail store. However, a place can also mean mail order catalogue, a telephone call centre Or, of course, a website.

1.6.4 Promotion

Promotion is the marketing communication package used to make the offer known to potential customers, and persuade them to investigate it further. This is such a large part of marketing that it is often mistaken (by non-marketers) for the whole of marketing. Promotion itself is broken down into a promotional mix, originally comprising four elements (advertising, public relations, sales promotion and personal selling) but in recent years these four elements have become several dozen at least.

1.6.5 Customer loyalty

According to Lodh (2011) loyal customers are customers who have certain characteristics as follows: (1) make repeated purchases on the same business body; (2) buying products and or services offered by the same business entity; (3) tell others about the satisfaction obtained from the business entity and show immunity to the offer of competitors for the same product or service.

1.6 SIGNIFICANCE OF THE RESEARCH

Customer loyalty is an important concept because greater loyalty can lead to a number of benefits such as a reduction in marketing costs, increased opportunities for brand extensions and an improved market share. loyal customer is a good source for spreading positive word of mouth and most companies now realize the significance of retaining their existing customer and increasingly develop marketing programmes (for example: relational marketing activities) to improve retention rates. They are aiming to improve customer loyalty and encourage customer-firm dialogue and relationships as a way of creating a competitive advantage. According to consumers' perspective, greater levels may mean they have a great deal of passion and commitment to the brand, reduction in search cost, received risk and enhancement of self-concept. the benefits they will get from buying the product. Be the benefit they will get from buying the product. Customers will therefore not pay more than the “fair” price and charging them less is simply giving away profit.

The importance of this research basically discusses how the marketing mix can affect customer loyalty in selling goods. The marketing strategy of marketing goods plays an important role in the system. The marketing mix is expected to show a positive influence on customer loyalty in a company. The importance of the marketing mix made me do a study on the effect of the marketing mix on customer loyalty.

1.7 SCOPE OF THE STUDY

In terms of research scope, my studies narrowed down to students at the Management and Science University, Shah Alam. This is to facilitate the distribution of questionnaires to respondents. The questionnaire was created via the Google form and will be distributed through several social media community platforms via Facebook, Instagram, Twitter and Whatsapp. The sample size based on the Krejcie and Morgan sample size determination table is 375 respondents and a quantitative method will be used. The age range of the respondents is between 18 years above. In accordance with the title of my research where this age group understands the reasons for purchasing decisions for a product through and understands the reasons why they are loyal to a product or brand. This age group is very helpful because it relates to their lives.

Table 1. 1 Krejcie and Morgan Sample Size Determination Table

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351

90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384